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Sustainable development and international economic cooperation**Programme budget for the biennium 1998–1999****Letter dated 11 November from the Permanent Representative of Indonesia to the United Nations addressed to the Chairman of the Second Committee**

1. The Group of 77 and China, having received the proposals by the Secretary-General contained in document A/53/374 on the use of the resources available under section 34, Development Account, of the programme budget for the biennium 1998–1999, and recalling paragraph 6 of resolution 52/235 of 26 June 1998 on the utilization of the Development Account, has decided that the highest amount of resources appropriated under section 34 of the current programme budget should be used to fund new projects clearly related to development priorities set in the medium-term plan. The following criteria should guide the formulation of new projects:

- (a) Projects should have a multiplier effect and promote capacity-building only for developing countries, responding to their needs and priorities;
- (b) Projects should promote regional and interregional economic and technical cooperation among developing countries;
- (c) Projects should complement and not substitute for existing programme activities;
- (d) Projects should relate to new activities not already mandated under the programme budget;
- (e) Projects should not involve transfer of resources from the regular budget to extra-budgetary activities.

2. The Group has also decided that the resources appropriated under section 34 of the current programme budget should also be used for financing of new activities in the areas of South-South cooperation to be carried out within the regular budget of the United Nations and to include the participation of institutions active in South-South cooperation, and, in this context, the Group has requested the Secretary-General to seek the views of the Advisory Committee on Administrative and Budgetary Questions on this matter.

3. The Group would also like to request the Secretary-General to review and reformulate, as appropriate, the proposals contained in document A/53/374 so as to ensure full conformity



with the criteria set in paragraph 1 above; and, in this context, the Group commends the activities envisaged in the project proposals (a), (b), (d) and (e).

4. The Group, therefore, requests the Secretary-General to prepare another report, not later than March 1999, on the utilization of the Development Account for the biennium 1998-1999 for submission to the General Assembly for consideration, taking fully into account the views expressed above.

5. On behalf of the Group of 77 and China, I would appreciate if you could arrange for the present letter to be circulated as an official document of the General Assembly under agenda items 93 and 113.

(Signed) Makarim Wibisono
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